AMENDED IN ASSEMBLY APRIL 8, 2008 AMENDED IN ASSEMBLY MARCH 24, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2153

Introduced by Assembly Member Krekorian Members Krekorian and Hancock

February 20, 2008

An act to add Section <u>25405.7</u> 21150.10 to the Public Resources Code, relating to <u>building standards</u> water conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2153, as amended, Krekorian. Building standards: water Water conservation.

The California Environmental Quality Act (CEQA) requires a city or county, if it determines that a project is subject to CEQA, to identify any public water system that may supply water for the project and to request those public water systems to prepare a specific water supply assessment, except as otherwise specified. If the city or county is unable to identify the water supply system, the city or county is required to prepare the water supply assessment after a prescribed consultation.

This bill would require a residential or commercial construction project that is subject to CEQA and required by a lead agency to prepare a mitigated negative declaration or an environmental impact report to implement all feasible and cost-effective water efficiency measures. The project would be required to mitigate its projected annual water consumption, as specified. Affordable housing projects would be exempted from this mitigation requirement. The mitigation measures taken would be subject to review and approval by the lead agency.

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Because a lead agency, which includes a local agency, would be required to review and approve those direct investments, this bill would increase the level of services provided by a local agency, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Warren-Alquist State Energy Resources Conservation and Development Act requires the State Energy Resources Conservation and Development Commission to prescribe, by regulation, energy and water conservation design standards for new residential and new nonresidential buildings.

This bill would require the commission to adopt, on or before January 1, 2012, regulations requiring a residential or nonresidential construction project commenced on or after January 1, 2014, to minimize, in a cost-effective manner, and to offset the projected water usage of the residential and nonresidential construction project. The regulations would establish guidelines for programs to offset the projected water usage of the regulated construction. The regulations would establish a water usage calculator to determine the projected water usage of the regulated construction project and a water savings calculator to determine the projected water savings expected from the specified programs. The bill would exempt defined public buildings and educational facilities from these requirements. The commission would be required to consult with specified parties and to hold one or more public hearings before adopting the regulations.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 21150.10 is added to the Public Resources 2 Code, to read:
- 3 21150.10. (a) A new residential or commercial building
- 4 construction project that is subject to this division shall implement
- 5 all feasible and cost-effective water efficiency measures.

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(b) If, after implementing all feasible and cost-effective water efficiency measures, the residential or commercial building will result in any annual water consumption, as projected by its water supplier, the project shall mitigate its projected annual water consumption, within the same hydrologic region, through any of the following measures:

- (1) Water efficiency measures including interior and exterior water conservation.
- (2) Infrastructure rehabilitation resulting in reduced water loss due to leaking pipes or reduced need to flush pipe systems.
 - (3) Recycled water facilities.

- (4) Groundwater remediation and treatment facilities.
- (5) Stormwater capture facilities.
- (c) The mitigation measures taken pursuant to subdivision (b) shall be subject to the review and approval of the lead agency.
- (d) For the purpose of this section, mitigation measures shall meet the all of following criteria:
- (1) At least 40 percent of the mitigation of annual water consumption shall be accomplished through projects that serve disadvantaged communities within the same hydrologic region of the proposed project.
- (2) Programs or projects implemented to achieve mitigation shall be real, have a life expectancy of at least 20 years, and have quantifiable results that produce an amount of water equal to the projected water usage of the project.
- (3) Programs and projects implemented to achieve the mitigation of water usage shall to the extent feasible minimize greenhouse gas emissions, minimize environmental impact, reduce contaminated runoff, and provide environmental benefit.
- (e) Mitigation measures undertaken pursuant to subdivision (b) may be carried out in or serve affordable housing communities and projects.
- (f) Notwithstanding subdivision (d), mitigation measures undertaken pursuant to subdivision (b) for public buildings shall be carried out on or serve existing publicly owned facilities with priority given to public education facilities.
- (g) Affordable housing projects shall implement all feasible and cost-effective water efficiency required by subdivision (a) but shall be exempted from the mitigation requirements pursuant to subdivision (b).

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(h) For the purposes of this section, the following terms shall have the following definitions:

- (1) "Affordable housing project" means a housing project specified in Section 50052.5 of the Health and Safety Code.
- (2) "Disadvantaged community" has the same meaning as that set forth in Section 75005.
- (3) "Hydrologic region" has the same meaning as set forth in the California Water Plan developed pursuant to Part 1.5 (commencing with Section 10004) of Division 6 of the Water Code.
- SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
- SECTION 1. Section 25405.7 is added to the Public Resources Code, to read:
- 25405.7. (a) On or before January 1, 2012, the commission shall adopt regulations requiring a residential or nonresidential construction project commenced on or after January 1, 2014, to minimize, in a cost-effective manner, and to offset the projected water usage of the residential and nonresidential construction. The regulations shall do all of the following:
- (1) Specify water efficiency measures to minimize the water usage of the regulated construction.
- (2) Establish a water usage calculator to determine the projected water usage of the regulated construction.
- (3) Establish a water savings calculator to determine the projected water savings expected from an offset program.
- (4) Require a regulated construction project to offset its projected water usage as determined by the water usage calculator established pursuant to paragraph (3).
- (5) Establish guidelines for an offset program allowing the builder to offset the regulated construction project's projected water usage. The guidelines shall do all of the following:
- (A) Prioritize programs that reduce water usage of existing buildings by maximizing water-use efficiency in existing buildings within the same hydrologic region of the regulated construction.

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(B) Prioritize programs for the development of new water supplies that are cost effective, climate change resilient, the least earbon intensive, and maximize regional water self-sufficiency.

- (C) Provide opportunities for the builders to partner with governmental and nongovernmental entities to comply with the offset requirements.
- (6) Ensure that 40 percent of the projects used to offset the water usage of the new residential or nonresidential building are implemented in disadvantaged communities within the same hydrologic region of the regulated construction. Eligible projects may include, but are not limited to, infrastructure rehabilitation.
- (7) Require verification by the commission that the offset programs meet the guidelines established pursuant to paragraph (5).
- (8) Require the offset to be real, permanent, quantifiable, and verifiable and to equal or exceed the water usage of the regulated construction as determined by the water usage calculator established pursuant to paragraph (2).
- (9) Require periodic reporting from the builder to verify and enforce compliance with the requirements of paragraph (5). The report shall include a rigorous and consistent accounting of the ealculated water usage of the regulated construction, a listing of the measures used to offset the usage, and a rigorous and consistent accounting of the calculated water savings for the listed measures.
- (b) In adopting the regulations pursuant to subdivision (a), the commission shall consult with parties who would be subject to the proposed regulations and other interested and affected parties and hold one or more public hearings regarding the proposed regulations. All potentially affected parties shall be provided with advance notice of the public meeting and given an opportunity to provide written or oral comments. In developing the regulations, the commission shall consider all comments provided by interested parties.
- (c) (1) The commission shall review and update the guidelines developed pursuant to paragraph (5) of subdivision (a).
- (2) The commission shall publish the updated guidelines on its Internet Web site.
- (d) (1) For the purposes of this section, nonresidential construction does not include a public building as defined in Section 15802 of the Government Code or a building that is in

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- Occupancy Group E as defined in the State Building Standards
 Code (Title 24 of the California Code of Regulations).
 - (2) For the purposes of this section, the following terms shall have the following definitions:
 - (A) "Disadvantaged community" has the same meaning as that set forth in Section 75005.
- 7 (B) "Hydrologic region" has the same meaning as set forth in 8 the California Water Plan developed pursuant to Part 1.5
- 9 (commencing with Section 10004) of Division 6 of the Water
- 10 Code.

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